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FM AMEMBASSY RANGOON
TO RUEHC/SECSTATE WASHDC IMMEDIATE 7514
INFO RUCNASE/ASEAN MEMBER COLLECTIVE
RUEHBY/AMEMBASSY CANBERRA 1140
RUEHBJ/AMEMBASSY BEIJING 1855
RUEHKA/AMEMBASSY DHAKA 4863
RUEHNE/AMEMBASSY NEW DELHI 4687
RUEHUL/AMEMBASSY SEOUL 8228
RUEHKO/AMEMBASSY TOKYO 5790
RUEHCN/AMCONSUL CHENGDU 1457
RUEHCHI/AMCONSUL CHIANG MAI 1563
RUEHCI/AMCONSUL KOLKATA 0315
RUEAIIA/CIA WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
RUEKJCS/DIA WASHDC
RUEHGV/USMISSION GENEVA 3659
RHEHNSC/NSC WASHDC
RUEKJCS/SECDEF WASHDC
RUEKJCS/JOINT STAFF WASHDC
RUCNDT/USMISSION USUN NEW YORK 1547
RUEHBS/USEU BRUSSELS

C O N F I D E N T I A L SECTION 01 OF 02 RANGOON 000334

SIPDIS

STATE FOR EAP/MLS, S/ES-O-CMS, DS/CC AND DS/IP/EAP, INR/EAP
DEPT PASS TO USDA
DEPT PASS TO USAID/OFDA
PACOM FOR FPA
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E.O. 12958: DECL: 05/07/2018

TAGS: [EWWT](#) [ECON](#) [ETRD](#) [PGOV](#) [PREL](#) [BM](#)

SUBJECT: BURMA: THILAWA PORT COULD OPEN BY END OF MAY

REF: A. RANGOON 331
[1](#)B. RANGOON 330
[1](#)C. RANGOON 320

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Classified By: Economic Officer Samantha A. Carl-Yoder for Reasons 1.4
(b and d)

[1](#)1. (C) Summary. Although access to the Rangoon Ports remains closed due to sunken ships and debris blocking the Rangoon River and unusable jetties, the Burmese Port Authority predicts the Myanmar International Terminal Thilawa (MITT) will be fully operational in two weeks. Shipping industry contacts believe the timeframe to be optimistic, but agree that some port operations could resume by the end of May. Rangoon has four main ports, with MITT - which handles both container and bulk shipments - located closest to the mouth of the Rangoon River. The Port Authority plans to repair the jetties and dredge the river from the mouth to MITT in the next two weeks, and will continue to clear water access to the remaining ports during the next two months. According to a Port Authority assessment, small ships and barges can currently navigate the Rangoon River; the GOB expects to bring in a shipment of diesel fuel on May 8 via barge. Three of Rangoon's ports lost their cranes during the storm. The GOB is looking to use two of Tay Za's mobile cranes at MITT until it obtains permanent replacements. The Port Authority predicts that imports will resume by the end of May, although exports could begin as early as next week. End Summary.

Status of the Rangoon Ports

[1](#)2. (SBU) Cyclone Nargis wreaked havoc on Rangoon's port

area, sinking approximately 80 ships, including fishing boats and small shipping vessels, in the Rangoon River (Ref C). Many of the jetties along Rangoon's four ports - Myanmar International Terminal Thilawa (MITT), Sule Warf, Bo Aung Kyaw Port, and Asia World Port - were destroyed and three of the ports lost their cranes due to the high winds. The high winds also pushed many of the containers stored at MITT and Asia World into the river. Several warehouses were also destroyed, although the majority suffered minor damage. There have been no reports of looting at the port.

13. (C) Initial reports from the Myanmar Port Authority stated that the Rangoon Ports would not be operational for several months, since authorities believed the Rangoon River was nonnavigable due to debris and sunken ships. However, according to Bay Line Shipping Director Captain Quamruddin Ahmed, the Port Authority completed its river assessment and declared that the situation was "not as bad as originally thought." During a meeting with shipping companies, Port Authority officials predicted that the MITT Port would be operational within two weeks, with imports and exports resuming by the end of the month (Ref B).

14. (C) According to Port Authority officials, small ships and barges can currently navigate the Rangoon River up to MITT (approximately 25 miles south of Rangoon). Before larger ships can pass, the Port Authority must dredge certain areas of the river, removing debris and ship wreckage. During the next two weeks, Port Authority officials plan to dredge the river and repair several of the jetties at MITT, which will enable up to four boats to dock at the port at one time. One of MITT's jetties is operational, as long as the ship has its own crane. Additionally, the Ministry of

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Electricity 1 is working to restore power to the port, which is located in one of the six energy priority townships. Officials are also trying to secure two mobile cranes for MITT's container operations; according to Ahmed, Tay Za offered to "donate" two of his mobile cranes to the port.

15. (C) Once MITT is operational, the Port Authority will continue clear the Rangoon River, working north to Sule Warf, Bo Aung Kyaw Port, and Asia World Port in Ahlone, Ahmed continued. Officials predicted that all four ports will be operational by July. Ahmed opined that the GOB's timeframe was optimistic, but acknowledged that MITT could be operational by the end of May. Burma may have to rely on MITT for both bulk and container shipments, as it may take longer than two months for the GOB to clear a path and repair the jetties at the other three ports, he stated.

Goods In, Goods Out

16. (C) The Port Authority expects larger import and export operations to resume by the end of May. However, shipping companies with smaller ships may resume export operations as soon as May 10, Ahmed declared. Starting May 7, the GOB allowed several shipping companies to load cargo to small ships that were still docked near MITT, an indication that exports could resume in the next few days. Indeed, Bay Line Shipping company, which will ship 50,000 metric tons of rice to Sri Lanka on behalf of Aye Yar Shwe Wa Company (Ref A), will begin loading the rice on May 8, Ahmed told us.

17. (C) A tanker filled with diesel fuel will arrive in Rangoon on May 8, Ahmed told us. The GOB plans to meet the tanker at the mouth of the river and transfer the diesel to a barge in order to transport it to Rangoon. Ahmed confirmed that the oil refinery in Rangoon sustained damage (Ref B), noting that the GOB usually imports crude oil rather than refined diesel. He could not confirm how much fuel the GOB was importing, but noted that this was "a first effort" to see if the river was navigable.

Comment

18. (C) Our trading and shipping contacts seem confident that at least one of Rangoon's ports will be operational by the end of May and that imports of fuel and food could resume before then. This would indeed be good news, as imports of fuel and food will help alleviate the shortages we currently see around town. However, that the government is focused on resuming exports of rice rather than encouraging imports of food shows where its priorities lie - with earning hard currency to line its pockets rather than feeding its starving people.

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